

April 25, 2008

**Via Electronic Mail**

The Honorable Kevin J. Martin  
Federal Communications Commission  
445 12<sup>th</sup> Street, S.W.  
Room 8- B20  
Washington, DC 20554  
Attn: Marlene H. Dortch, Secretary

**Re: Carriage of Digital Television Broadcast Signals, CS Docket No. 98-120**

Dear Chairman Martin:

The Office of Advocacy of the U.S. Small Business Administration (“Advocacy”) commends the Federal Communications Commission (“FCC” or “Commission”) for considering a proposal that will grant regulatory relief for small cable operators as they comply with new requirements for the carriage of digital television signals. Advocacy understands that this draft proposal is currently in circulation and applauds the FCC’s efforts to work with small cable providers on this important issue.

Members of the small cable industry have contacted our office on the dual carriage requirements and have explained how new mandates may impose a significant economic burden on their operations. Advocacy has worked with the cable industry since 2007 to craft alternative ways in which the FCC could accomplish its goal of ensuring that cable viewers will be minimally affected during the digital transition while mitigating the economic and technological burdens on small entities.<sup>1</sup> To assist the Commission in understanding how this rule may economically affect the smallest cable providers, Advocacy sent a public comment letter to the Commission on March 3, 2008.<sup>2</sup> In this letter, Advocacy suggested that the FCC consider an exemption for the smallest cable providers with 5,000 or fewer subscribers or

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<sup>1</sup> Advocacy has held meetings with the American Cable Association (ACA) and the National Cable and Telecommunications Association (NCTA) to discuss ways to alleviate the burden of the dual carriage requirement. Advocacy has also been in contact with other small cable representatives.

<sup>2</sup> In The Matter of Carriage of Digital Television Broadcast Signals, CS Docket No. 98-120 (March 3, 2008).

those systems with an activated channel capacity of 552 Mhz or less. Because small operators cannot maintain the costs or capacity required to comply with the proposed rule, an exemption would serve as the best alternative. This exemption would allow small cable providers to continue to carry and distribute analog channels while they build the infrastructure to go digital.

Advocacy understands that the FCC's draft proposal would exempt small carriers from transmitting high-definition broadcast feeds that would burden their cable capacity. Alternatively, these carriers would carry every broadcaster's primary signal in analog following "down-conversion" from digital. When possible, these small operators would also carry the signal in standard-definition. Advocacy believes that this new proposal would relieve the strain on cable capacity that small carriers face. Moving forward, we hope that the FCC will continue to analyze the needs of small entities serving the telecommunications market, and find alternative ways of reducing the economic burden of rulemakings on their operations. Advocacy pledges to continue to support the Commission in this endeavor.

Advocacy looks forward to working closely with the FCC on issues of concern to small businesses. Please do not hesitate to contact Cheryl M. Johns, Assistant Chief Counsel for Telecommunications for additional information on my office or our involvement in regulatory telecommunications issues at (202) 205-6949 or [cheryl.johns@sba.gov](mailto:cheryl.johns@sba.gov).

Sincerely,

/s/

Thomas M. Sullivan  
Chief Counsel for Advocacy

/s/

Cheryl M. Johns  
Assistant Chief Counsel for Telecommunications

cc:

Honorable Michael J. Copps, Commissioner  
Honorable Jonathan S. Adelstein, Commissioner  
Honorable Deborah Taylor Tate, Commissioner  
Honorable Robert M. McDowell, Commissioner

Honorable Meredith Atwell Baker, Acting Assistant Secretary for  
Communications and Information, NTIA